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Action

Fiscal Policy and Planning Committee of the Whole

Review and Establish the Priorities for the Commission on Teacher Credentialing for Fiscal Year 2005-06

Executive Summary: Staff will present an overview of the various activities required of the Commission on Teacher Credentialing (Commission) in order to establish the Commission's priorities for Fiscal Year 2005-06. Once action is taken, the approved plan will be shared with the Administration as they review the Commission's Budget as part of the Fiscal Year 2005-06 May Revision.

Recommended Action: As directed by the Department of Finance, action must be taken on this item in order for the Commission to have input on the Commission's priorities for Fiscal Year 2005-06.

Presenters: Crista Hill, Manager, Fiscal and Business Services Section, and staff members

Strategic Plan Goal:

Continue to refine the coordination between Commissioners and staff in carrying out the Commission's duties, roles and responsibilities.

- ◆ Conduct periodic review of the efficiency of the day-to-day operations and financial accountability of the Commission
- ◆ Orient new Commissioners and staff of the roles and responsibilities of the Commission
- ◆ Continuously update the Commission's policies and procedures

Review and Establish the Priorities for the Commission on Teacher Credentialing for Fiscal Year 2005-06

Introduction

This agenda item is intended to provide Members of the Commission with an overview of the various activities required of the Commission on Teacher Credentialing (Commission) in order to establish the Commission's priorities for Fiscal Year 2005-06. Action must be taken at the April 14, 2005 Commission Meeting, so the approved plan can be shared with the Administration as it reviews the Commission's Budget as part of the Fiscal Year 2005-06 May Revision.

Background

On Wednesday, March 16, 2005, Commission staff attended a Pre-Hearing as part of the regular Spring Budget Subcommittee Hearing process to answer questions and concerns with regards to the Commission's Budget at a staff level. The meeting included members from the Department of Finance, Legislative Analyst's Office, and various Assembly Subcommittee Staff Consultants.

A large part of the discussion during the meeting was the manner in which to deal with the current shortfall with the Teacher Credentials Fund and now the Test Development Administration Account. Under the direction of the Department of Finance, it was requested that the Commission submit a proposal, approved by the Commission, of the proposed priorities for Fiscal Year 2005-06. With this information Department of Finance will analyze the data and make a recommendation to the Legislature, as part of the 2005 May Revision. It was requested that we look at all statutory and non-statutory requirements, provide various options "thinking outside the box", as well as propose revenue enhancements and cuts that could allow the Commission to live within its means. It is important to keep in mind that this could be a reduction of approximately \$2.6 million in the Teacher Credentials Fund and \$925,000 in the Test Development Administration Account to align the revenues and expenditures in the 2005-06 Budget Year, if alignment is accomplished only through reductions. Action will need to be taken at the April 14, 2005 Commission Meeting in order to forward the approved plan to the Department of Finance for consideration as part of the May Revision.

Commission staff did briefly discuss the Legislative Analyst's Office (LAO), *Analysis of the 2005 Budget Bill (Analysis)*, to provide some clarification as necessary; however, until the May Revision is released all recommendations are on hold. As a result, discussions will continue as appropriate throughout the process. Commission staff did provide, to the various attendees, a copy of the FPPC 3C Agenda Item from the March 2005 meeting on this very topic. (It was stated that the information was very helpful.)

With regards to the recommendation regarding the credential application fee, in the Legislative Analyst's Analysis of the 2005-06 Governor's Budget, it is important to understand that the fee has been as high as \$70 during the Wilson Administration, to the current level of \$55. Provided below is a historical perspective, over the last ten (10) years, for your reference.

In the Analysis, the LAO projected that for every \$5 increase in the credential application fee, the Commission would generate \$1.1 million in revenue.

Fiscal Year	Change From	Change To	Difference
1995-96	\$65	\$70	+\$5
1998-99	\$70	\$60	-\$10
2000-01	\$60	\$55	-\$5

Chair Schwarze was able to attend a staff meeting immediately after the pre-hearing to provide some direction to staff on how to proceed. This was very helpful for staff, as we move forward with the Administration and the new Commission on this item.

The Assembly Hearing is scheduled for March 30, 2005. The Senate Pre-Hearing is scheduled for April 26, 2005 and Hearing on May 2, 2005. Commission staff will attend these hearings and report back at the following Commission meeting.

Discussion

The Commission is comprised of four distinct program areas that in combination provide the framework for teacher licensure. Specifically these are the Certification, Assignment and Waivers (CAW), Professional Services Division (PSD), Division of Professional Practices (DPP), and Administration Division which includes the Executive Office (Commissioners), Office of Governmental Relations (OGR), Information Technology and Support Management (ITSM) Division (to include the Fiscal and Business Services (FBS) Section and the Enterprise Technology and Support Services (ETSS) Section), and the Office of Human Resources (OHR).

Certification, Assignment and Waivers:

CAW is the licensing branch of the Commission, responsible for evaluating and processing over 245,000 applications annually for credentials, permits, certificates and waivers for authorization to serve in California's public schools. CAW serves as the Commission's primary point of contact, providing information to credential applicants and holders and credential personnel at the college, university, county, and school district levels regarding specific requirements for the licenses issued. It is also responsible for monitoring certificated assignments in collaboration with county offices of education. The Division is comprised of six (6) units that are responsible for distinctly different tasks.

The six (6) units are as follows:

Administration and Assignment and Waivers Unit (10 Positions) revises the Commission's procedures as a result of education code changes, develops policy and coordinates the implementation of procedures related to the review of credential waiver requests, produces credential profile reports, monitors seven (7) single county school districts and prepares assignment monitoring reports; and publishes the Administrator's Assignment Manual.

Cashiering Unit (7 positions) opens the mail, stamps the applications with a unique tracking number, enters cashiering and personal identification data into the Credential Automation System Enterprise (CASE), and performs the banking duties for the Commission.

Certification Unit (36 positions) reviews credential, permit and certificate applications, enters credential data into the CASE system and either issues a credential or returns the application for additional information. This unit is also responsible for staffing the call center, responding to correspondence and e-mails as well as make presentations at workshops and conferences.

Certification Support Unit (5 positions) staffs the Commission reception desk, handles route-to-applications, pulls microfilm files, and retrieves and mails requests for leaflets from the phone system.

Document Mail Preparation Unit (7 positions) performs the final review on all documents, letters of eligibility and rejection letters issued by the Certification Unit and the Fingerprint Unit. This unit is also responsible for assembling and preparing documents for mailing.

Micro/Fingerprint Unit (4 positions) Microfilm staff prepares documents for permanent storage and scans these documents to be achieved as digital images as well as on microfilm. Fingerprint staff prepares fingerprint cards for submission to the California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) and when necessary matches electronic files from DOJ to files in the CASE system.

From Prior Year 2003-04 through the Budget Year 2005-06, the CAW Division's positions have been reduced by 24.1. The 2005-06 Proposed Governor's Budget authorized 63 positions for the CAW Division. As shown in the workload analysis below, the number of proposed positions will make it difficult for the Division to complete its work in a timely manner.

Category	2003-04 (Past Year)	2004-05 (Current Year)	2005-06 (Budget Year)
Personal Services	\$4,112,226	\$3,942,985	\$3,837,195
Operating Expenses and Equipment	675,371	1,335,335	1,471,084
Total Support Costs	\$4,787,597	\$5,278,320	\$5,616,279 ^{1/}

^{1/} It is important to note that as part of the 2005-06 Proposed Governor's Budget the CAW Division had an overall increase in dollars associated with external increases and miscellaneous employee compensation adjustments.

Division Priorities:

The CAW Division's priorities are as follows:

- Process, evaluate, and archive credential and waiver applications
- Information Services
 - Call Center – half-day (12 noon to 4:45 p.m.)
 - E-mail
 - Correspondence
 - Prepare and update leaflets
 - Update on-line Credential Information Guide
- Maintain the Certification Public Information Desk (Monday, Wednesday, and Friday, 12 noon to 4:30 p.m.)
- Assignment Monitoring and Reporting (AB 3001 Reporting Requirements)
- Workshops
 - Credential Counselors and Analysts of California (CCAC)
 - Spring Credential Workshops

Division Staffing Needs:

The 2005-06 Proposed Governor's Budget proposes reducing six (6) positions from the CAW Division: two (2) Staff Service Analysts, two (2) Program Technicians, and two (2) Office Assistants. Staff reviewed the projected workload for the Budget Year 2005-06 and has determined that the reduction of six (6) positions will have a significant impact on the CAW Division's ability to meet its priority responsibilities.

The following is a projected workload and staffing analysis for the Budget Year 2005-06 for the Cashiering, Certification, and Document Mail Preparation Units. The other units within the Division are appropriately staffed based on the workload projected for Budget Year 2005-06. Each position is equivalent to 1,500 hours. This is the same formula used by Department of Finance to determine the position equivalent.

Cashiering Unit

The Cashiering Unit currently has seven (7) positions, which was the appropriate staff for the Current Year 2004-05. However, for the Budget Year 2005-06 the Cashiering Unit is projected to see a decrease in workload as a result of the introduction of the on-line application submission by colleges and universities.

The projected number of applications to be processed in 2005-06, by the Cashiering Unit, is 188,183 which is a decrease of approximately thirty-two (32) percent from the Current Year 2004-05. It will require five (5) positions to process the projected number of applications. The 2005-06 Proposed Governor's Budget eliminates two (2) Office Assistants, which can be from this unit.

Cashiering Workload and Staffing Needs

2004-05 Workload ^{1/}	2005-06 Projected Workload ^{1/}	2004-05 Positions	2005-06 Positions Based on Gov's Budget	2005-06 Positions Based on Workload	Diff
274,930	188,183	7.0	5.0	5.0	0

^{1/} One (1) position can process approximately twenty-three (23) applications per hour.

Certification Unit

The Certification Unit currently has thirty-six (36) positions of which thirty-one (31) evaluate credentials, respond to e-mails, and staff the call center from 12 noon to 4:45 pm. The other five (5) staff include: three (3) supervisors, one (1) trainer, and one (1) staff member who converts microfilm files into the CASE system. The staff allocated for the Current Year 2004-05 was not a sufficient number of staff to perform all of its tasks in a timely manner. As noted above the Certification Unit has already lost 18.1 positions as of Fiscal Year 2004-05, as a result of the Statewide Reduction Plan approved by the Administration and the Legislature for the 2004 Budget Act. The remaining four (4) positions that are part of the 2005-06 Proposed Governor's Budget would be reduced from the Certification Unit and will further impact the Commission's ability to meet the primary objectives for the Department and the Certification Unit.

The projected application workload for Budget Year 2005-06 is 165,271 which is a twenty-six

(26) percent decrease from the Current Year 2004-05. This significant reduction in workload is based on a five (5) percent reduction in applications and the elimination of processing on-line renewals. It is important to note that as part of the new CASE system the on-line renewal process will be fully automated and operational in the Budget Year 2005-06.

The call center and e-mails comprise thirty-nine (39) percent of the Certification staff's time. It is estimated that the Certification Unit will respond to 45,151 e-mails in the Budget Year 2005-06, a five (5) percent reduction from the Current Year 2004-05 and a twenty-eight (28) percent decrease from the Prior Year 2003-04. Currently five (5) certification analysts staff the call center from 12 noon to 4:45 p.m. daily. It is anticipated that those hours will not be reduced in the Budget Year 2005-06. Based on the workload analysis for the Budget Year 2005-06 it will require twenty-eight (28) positions to process the projected credential applications, answer e-mails, staff the call center as well as perform the other priority tasks of the unit. Currently, the 2005-06 Proposed Governor's Budget reflects twenty-five (25) positions for the Certification Unit. Based on the current workload projections, and the number of hours available per position to evaluate applications, will result in 17,820 applications not being processed next year. This will add to the current backlog of approximately 43,000 and will add to the number of days to process credentials.

Certification Workload and Staffing Needs

2004-05 Workload	2005-06 Projected Workload	2004-05 Positions ^{1/}	2005-06 Positions Based on Gov's Budget	2005-06 Positions Based on Workload	Diff
224,496	165,271	31.0	25.0	28.0	-3.0

^{1/} Under staffed by two (2) positions for Fiscal Year 2004-05

Document Mail Preparation Unit

The other unit is the Document Mail Preparation (DMP) Unit. Currently there are seven (7) positions in this unit. The efficiencies that are derived from the Teacher Credential Service Improvement Project (TCSIP) will not have an impact on the DMP unit. The staff proposal to no longer issue paper copies of certificates of clearance will reduce the number of documents to be mailed by approximately 19,000. Therefore the projected workload for Budget Year 2005-06 is 196,285 documents, which will require ten (10) positions to complete this workload. Based on the 2005-06 Proposed Governor's Budget the DMP unit will have seven (7) positions who will be able to process 132,300 applications, leaving a backlog of 56,700 applications.

Document Mail Preparation Workload and Staffing Needs

2004-05 Workload	2005-06 Projected Workload	2004-05 Positions ^{1/}	2005-06 Positions Based on Gov's Budget ^{1/}	2005-06 Positions Based on Workload	Diff
227,054	196,285	7	7	10	-3

^{1/}One (1) position can process 12.6 applications per hour

As evidenced by the workload projections above, the CAW Division will be understaffed by six (6) positions; this continues a trend that has existed over the past twelve (12) years. Chart One reflects how the workload hours have exceeded the available staff hours to process the workload. The Certification Unit will have a backlog of approximately 43,000 applications. It would take three (3) positions fully dedicated to working n the backlog to eliminate it.

Chart One

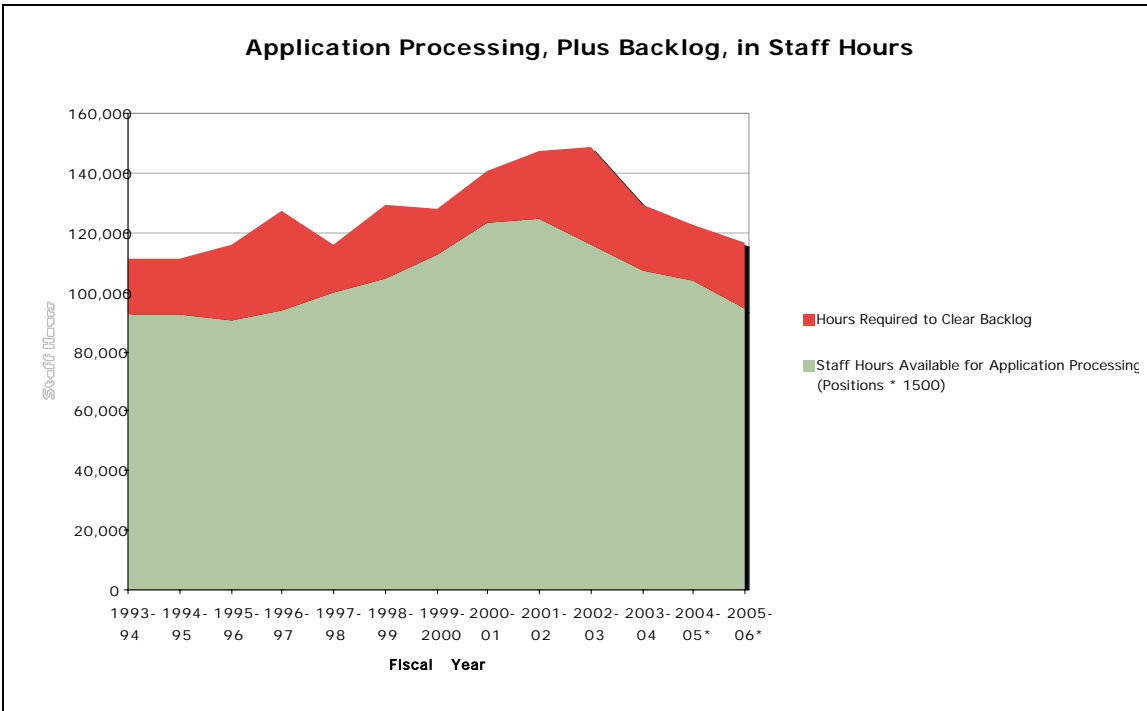
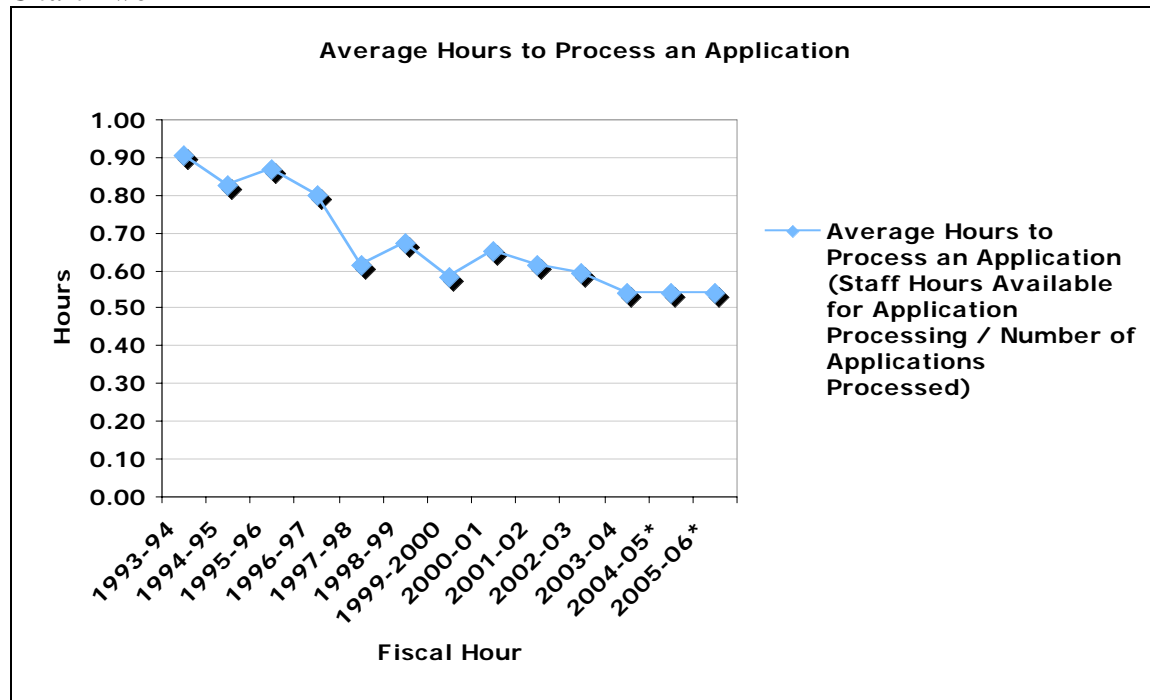


Chart Two reflects that even though the workload has exceeded the staff hours; the staff has become more efficient over the past 12 years in evaluating an application. The average application processing time in 1993 was .90 of an hour. However by the Budget Year 2005-06 the average processing time will be reduced almost in half.

Chart Two



Options for Consideration:

The options outlined below for your consideration reflect a combination of real dollar savings, as well as, a redirection of staff time to account for the projected shortfall for the Budget Year 2005-06.

Efficiencies

CAW Option - 1

<i>Eliminate Toll-Free Telephone Line</i>	<i>\$36,000</i>
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The Commission offers a toll-free line for stakeholders to contact the Certification Unit. The number has been available for six (6) years and is used by both in-state and out-of-state teachers asking questions about the licensing process. Very few of the licensing agencies within the Department of Consumer Affairs offer toll-free phone lines. It costs the Commission approximately \$3,000 per month/\$36,000 a year to maintain the line. If the Commission were to eliminate this service, the caller would pay the long-distance phone charges. Also, potentially the number of phone calls could decline and allow staff-time to be re-directed to evaluate credential applications.

CAW Option - 2

<i>Eliminate Printing of the Application For Character And Identification Clearance (41-CIC), Include Questions On Credential Application</i>	<i>\$11,000</i>
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The CAW Division has been working with DPP to combine the information obtained from the 41-CIC form on the actual Credential Application. This could eliminate the need for additional printing costs associated with the additional form and maximize state resources. The feasibility of this is still under review.

CAW Option – 3

<i>Eliminate the Printing of the Professional Growth Manuals</i>	<i>\$9,000</i>
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When a teacher receives the initial issuance of a professional clear credential the Commission provides a copy of the Professional Growth Manual, which outlines the requirements to renew the professional clear credential. The manual is available on the Commission's web page; consequently the credential could direct the teacher to the Commission's web page to download the manual.

CAW Option - 4

<i>Eliminate the Printing of the Certificates of Clearance</i>	<i>\$8,000</i>
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As required in the 2004 Budget Act, the Commission was required to report to the Legislature and the Department of Finance in January 2005, on at least three feasible options to further reduce processing time. One of the options outlined in the correspondence was to eliminate the printing of the Certificates of Clearance. The information on these certificates is available on the Commission's web site. The certificate does not authorize any service, it only verifies that the holder has met the professional conduct requirements of the Commission.

CAW Option - 5

<i>Eliminate Front Office Public Counter Services</i>	<i>Re-Direct 720 Hours Of Staff Time To Evaluating Applications</i>
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The Commission reduced its public counter service in October 2003 from 9:00 a.m. to 5:00 p.m. daily service to Monday, Wednesday, and Friday from 12 noon to 5:00 p.m. Many other state agencies have eliminated public counter services. If the Commission were to eliminate its public counter service the staff time would be re-directed to evaluating credentials.

CAW Option - 6

<i>Eliminate Data Research</i>	<i>Re-direct 1000 Hours Of Staff Time To Evaluating Applications</i>
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The CAW Division has one (1) position devoted to compiling the annual statutory Teacher Supply report and working with the California State University Chancellor's Office on the Governor's Teacher Fellowship program. The Fellowship program was unfunded two (2) years ago, however the Commission's reporting requirement remained. To accomplish both of these tasks takes approximately three (3) months out of the Fiscal Year. For the remainder of the year, this position responds to data requests from colleges, universities, research companies and other stakeholders. If this service were to be eliminated, approximately 1,000 hours could be redirected to processing/evaluating credentials.

CAW Option – 7

<i>Eliminate the Liaison Service To County Offices Of Education And Institutions Of Higher Education</i>	<i>Re-Direct 2600 Hours Of Staff Time To Evaluating Applications</i>
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Currently, five (5) Associate Governmental Program Analysts devote approximately two (2) hours a day to resolving problems and providing information to the 87 colleges and universities that offer Commission-approved programs and 58 County Offices of Education. This was a service that was started in 2000 to help stakeholders have direct access to one (1) individual who could resolve issues quickly. If this service were to no longer be offered, the County Offices of Education and Institutions of Higher Education would contact the Commission through the e-mail service or via the phone during the regular call center hours.

Summary

The efficiencies discussed above could reduce expenditures and staff time could be redirected to evaluating credentials. It is important to note that even if all of the options stated above are adopted, the DMP Unit will be understaffed by three (3) positions for the Budget Year 2005-06, which will have an impact on the Division's ability to meet its 75-day regulatory processing timeline.

Efficiency Enhancement Options		Estimated Budget Enhancement
Expenditure Savings		
CAW Option - 1	<i>Eliminate Toll-Free Telephone Number</i>	\$36,000
CAW Option - 2	<i>Eliminate Printing of the Application for Character and Identification Clearance, Include Questions on the Credential Application</i>	\$11,000
CAW Option - 3	<i>Eliminate the Printing of the Professional Growth Manuals</i>	\$9,000
CAW Option - 4	<i>Eliminate the Printing of the Certificates of Clearance</i>	\$8,000
	Total Estimated Expenditure Savings	\$64,000
Staff Redirections		
CAW Option - 5	<i>Eliminate Front Office Public Counter Services</i>	720 Hours
CAW Option - 6	<i>Eliminate Data Research</i>	1,000 Hours
CAW Option - 7	<i>Eliminate Liaison Service To the County Offices of Education and Institutions of Higher Education</i>	2,600 Hours
	Total Improvement to CAW's Budget:	\$64,000/ 4,320 Hours (3 Positions)

Professional Services:

PSD is responsible for the development of licensure standards for all credential areas for which the Commission issues credentials; the accreditation of colleges, universities and local education agencies that offer educator preparation; the development and implementation of licensing examinations as required in the Education Code; and the administration of State funded programs including the Paraprofessional Program, the Intern Program and the Beginning Teacher Support and Assessment Program (in conjunction with the California Department of Education). Related activities include data collection, reporting, and policy research.

From Prior Year 2003-04 through the Budget Year 2005-06, the PSD Division's positions have been reduced by 6.2. The 2005-06 Proposed Governor's Budget authorized 33.3 positions for the PSD Division.

Category	2003-04 (Past Year)	2004-05 (Current Year)	2005-06 (Budget Year)
Personal Services	\$2,943,885	\$2,789,153	\$2,822,706
Operating Expenses and Equipment	2,522,873	2,292,158	2,362,622
Total Support Costs	\$5,466,760	\$5,081,311	\$5,185,328 ^{1/}

^{1/} It is important to note that as part of the 2005-06 Proposed Governor's Budget the PSD Division had an overall increase in dollars associated with external increases and miscellaneous employee compensation adjustments.

Division Priorities:

The primary goals of PSD are to operate the Commission's accountability system and to administer the Commission's examination programs. Pursuant to those goals, division objectives include developing standards for subject matter programs and programs of professional preparation; maintaining and administering the Commission's accreditation system to ensure the accountability of institutions that prepare educators; developing, maintaining validity, and administering examination programs adopted by the Commission that assess candidate knowledge and competencies; and administer state-funded local assistance teacher preparation programs.

Currently, the Division is organized into two major units and an administrative unit that manages resources, directs activities and provides general support.

- **Program Development, Accountability and Research Unit** – Responsible for the development of standards adopted by the Commission, administering reviews to ensure programs are meeting adopted standards and the administration of an accreditation system that includes accreditation visits to 96 institutions that offer educator credential programs.
- **Teacher Development, Assessment and Research Unit** – Responsible for the development and administration of examinations and assessment adopted by the Commission, the periodic review of those examination programs to ensure validity, the administration of state-funded local assistance teacher development programs, and in conjunction with the California Department of Education (CDE), administration of the state's \$87 million Beginning Teacher Support and Assessment (BTSA) program.

Options for Consideration:

The Division has evaluated its activities in light of the goals and objectives referenced above and presents for discussion, options for consideration that could lead to greater efficiencies or revenue enhancements. The options presented are based on the assumption that 1) the Commission will continue to maintain an accountability system that will include accreditation reviews and 2) the Commission will continue to maintain its examination programs.

Efficiencies

The options discussed below would reduce the scope of responsibilities of the PSD, and focus activities exclusively on accreditation and examinations, by establishing a fee-based accreditation system and enhancing the Commission's fee-based examination system. The options provided for consideration would severely limit the capacity of the Commission to engage in policy and research work, implement new legislation, identify and respond to changing needs for enhancements in educator preparation, or undertake new work such as updating the Commission's bilingual certification requirements.

For each of the efficiency options outlined below, the Commission could choose to maintain the function, eliminate the function and associated staff positions, or redirect those positions to

the priority activities of accreditation and examinations. The projected savings identified for each option reflects the amount of funds that would be saved if positions were eliminated.

PSD Option - 1

<i>Eliminate Program Review Following The Adoption Of New Credential Program Standards</i>	<i>\$115,000</i>
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It has been the practice of the Commission when adopting new standards to require institutions operating programs under the former standards to submit response to the new standards. For example, when the new standards for Pupil Personnel Services (PPS) programs were adopted in 2001, the Commission also adopted an implementation plan that required all institutions operating a PPS program to immediately submit a response, based on a schedule, to the new standards. That process created a burden for institutions, and has taken considerable staff and fiscal resources to administer the review of documents that were submitted in response to the new standards. Programs approved following this initial review are then reviewed during the course of a subsequent accreditation visit.

The Commission could achieve efficiencies by eliminating initial program review following the adoption of new standards. Following the adoption of new standards, the Commission would notify the field that institutions are expected to transition to the new program standards by a specific date. Programs would be reviewed against the new standards at the subsequent accreditation review. All institutions would be reviewed against the new standards within 1-7 years following the adoption of new standards. Savings associated with this change could be equivalent to one (1) position (\$100,000 plus additional costs for reviewer travel), unless the Commission chooses to redirect staff to accreditation or examination activities.

PSD Option - 2

<i>Shift Federal Title II Reporting to the California Postsecondary Education Commission</i>	<i>\$60,000</i>
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Each year, the Commission collects information from institutions in compliance with reporting requirements mandated by Title II of the Higher Education Act. This responsibility requires the review of information for accuracy completeness, the compiling of certain statewide data, data entry on the federal reporting website, and the creation of a report that describes teacher preparation in California.

Efficiencies could be achieved if the function could be shifted to another department such as the California Postsecondary Education Commission. However, any savings associated with this change would be offset by similar increase to the General Fund. Eliminating this function altogether would put all California institutions of higher education at risk of losing federal student financial aid. At this time, it is unclear if the California Postsecondary Education Commission has the capacity to absorb this workload given its current resources. Savings associated with this change could be approximately 0.6 position or \$60,000, unless the Commission chooses to redirect staff to accreditation or examinations activities.

PSD Option - 3

<i>Move Administration Of State-Funded Teacher Development Programs To The CDE</i>	<i>\$300,000</i>
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The Commission currently administers two (2) local assistance grant programs for the Alternative Certification Program and for the Paraprofessional Teacher Training Program. Funds are appropriated to the Commission for this purpose each year in the annual Budget Act. These programs serve approximately 12,000 individuals who are working toward a preliminary teaching credential. Funds are allocated to Local Education Agencies on the basis of a competitive process or satisfactory program improvement reporting. Although the Commission was not provided staffing to administer these programs, it devotes considerable amount of staff resources to the development of documents, monitoring of programs, technical assistance, and the administration of funds.

Efficiencies could be achieved by shifting the administration of these programs to the CDE. Savings associated with this change could be equivalent to three (3) positions (\$300,000), unless the Commission chooses to redirect staff to accreditation or examination activities. This change would require a change in statute.

PSD Option - 4

<i>Discontinue The Co-Administration Of Beginning Teacher Support Assessment (BTSA) With The CDE</i>	<i>\$110,000</i>
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The Commission currently has responsibility to set standards for induction programs for new teachers and for the approval of induction programs against those standards. Additionally, the Commission has taken an active role in the administration of the state-funded BTSA induction programs, including co-administration of the program with the CDE, the collection of data that provides a basis for funding and provides accountability information, technical assistance to regional directors, and leadership in ten statewide meetings each year

Efficiencies could be achieved by eliminating the Commission's role in the co-administration of the BTSA program and shifting data collection responsibilities to the CDE. At this time, it is unclear if the CDE has the capacity to absorb the workload given its current resources. However, any savings associated with this change would be offset by similar increase in the General Fund. Savings associated with this change would be approximately one (1) position (\$100,000 plus additional costs for reviewer travel), unless the Commission chooses to redirect staff to accreditation or examination activities.

PSD Option - 5

<i>Discontinue Subject Matter Program Review</i>	<i>\$250,000</i>
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Education Code Sections 44310 and 44259 allow single subject credential candidates to meet the subject matter competency requirement either by passage of a subject matter exam or by completion of a subject matter program that has been approved by the Commission on the basis of standards of program quality and effectiveness. As a result of No Child Left Behind

(NCLB), multiple subject credential candidates no longer have the option of completing a Commission approved subject matter program in lieu of passage of the subject matter exam. If in considering changes to NCLB, congress requires secondary teachers to pass a subject matter examination to be highly qualified (as is currently required of elementary school teachers), it is possible that the Commission could no longer provide the candidates the option of waiving the subject matter exam as is provided by Education Code 44310.

Education Code Section 44311 requires the Commission to evaluate subject matter programs that are offered as a means for satisfying the subject matter requirement and requires that the evaluation be based on standards of program quality and effectiveness. Education Code Section 44259 requires the Commission to ensure that the subject matter standards and examinations are aligned with the state's "content and performance standards adopted for pupils." The Commission has over the past four (4) years, conducted a comprehensive review of all subject matter program areas to ensure that standards for subject matter programs are aligned with the academic content standards for public schools adopted by the State Board of Education. Following the adoption of each set of standards, institutions that wish to offer Commission-approved subject matter programs can submit program proposals that respond to the approved standards. The Commission is currently completing Phase III of this comprehensive review, and has already adopted program standards for several program areas including: English, Science, Mathematics, Social Science, Art, Languages other than English, Music, and Physical Education and has been receiving proposals from institutions wishing to offer subject matter programs pursuant to the adopted standards.

The three higher education segments have indicated a desire to maintain the review process because it enables them to indicate to candidates that the program meets state standards (for Multiple Subject credential candidates, it provides a level of assurance that the program addresses the competencies that are addressed on the subject matter exam). However, the review process has required considerable staff and fiscal resources to coordinate the review by peers who possess expertise in the subject area. Because the program approval process is essentially *voluntary* for institutions, the process, although valuable, may not be an essential function of the core mission for the Commission.

The Commission could achieve efficiencies by eliminating oversight of subject matter preparation, including the development of program standards and the discontinuation of program review. The Commission could choose instead, to require candidates to have either majored in the subject area in which they would be teaching *or* to have passed a subject matter examination. The impact of eliminating oversight of subject matter programs would be that the State would not be able to ensure that standards for the content knowledge acquired in an undergraduate program are aligned with the State adopted K-12 content standards for public schools. Moreover, the discontinuation of subject matter program review would leave in question the status of programs that have been approved by the Commission to date and those that are currently under review. The elimination of subject matter program review could result in savings of approximately two (2) positions (\$200,000 plus additional costs for reviewer travel). The Commission could choose instead to redirect these positions to accreditation or examination activities.

PSD Option - 6

<i>Eliminate Production Of Annual Report, Newsletter</i>	<i>\$20,000</i>
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The PSD has been responsible for production of the Commission's Annual Report and Quarterly Newsletter. In addition, the Division has a staff person who on a daily basis, searches newspapers for articles pertaining to teacher credentialing and education and provides Management with electronic copies of these articles. Staff associated with this function could be redirected to accreditation or examination activities.

PSD Option - 7

<i>Postpone adoption of a Mild/Moderate Special Education Exam Required by AB 2286 (Mountjoy, Chapter 658, Statutes of 2004)</i>	<i>--</i>
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There are eight "off the shelf" Special Education exams that measure knowledge, skills and abilities related to mild/moderate special education pedagogy. Staff concludes that at this time, an exam does not exist that would meet the standards and the requirements of the Mountjoy bill. A new exam that would meet California requirements could not be developed without additional staff and fiscal resources.

Revenue Enhancements

In addition to the revenue enhancements discussed below, the Commission may consider options for increasing examination fees for the 2005-06 fiscal year. The policy discussion for this agenda item is provided under Agenda Item "Options for Exam Fees for 2005-2006, 5B

PSD Option - 8

<i>Charge Fees For The School Leaders Licensure Assessment (SLLA) And The Teaching Foundations Exam (TFE)</i>	<i>\$90,000</i>
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The Commission offers the SLLA exam to potential Administration Credential seekers as one route to obtaining a credential. At this time, the Commission does not collect an exam fee to oversee the program. Commission staff could develop a contract with Educational Testing System (ETS) to administer this exam and collect an exam fee. Exam fees would be sent to the Commission at the completion of each administration. Approximately 1,000 candidates take the SLLA each year. This volume could increase slightly over time. Anticipated volume for the Budget Year 2005-06 is 1,500 candidates.

Candidates currently pay a fee of \$425 for the SLLA exam. If an administrative fee of \$45 per exam registration were collected for the SLLA, the exam program would generate approximately \$67,500 in Budget Year 2005-06.

The Commission offers the TFE in five content areas: Multiple Subjects (MS), Single Subject (SS) English Language Arts (SSELA), SS Math, SS Social Studies and SS Science. At this time passing standards have been established for the MS, SSELA, and SS Math exams. The

Commission does not collect an exam fee to oversee the management of this exam program. Commission staff could develop a contract with ETS to administer this exam and collect an exam fee. Exam fees would be sent to the Commission at the completion of each administration. Approximately 300 candidates are taking the TFE. This volume could grow. Anticipated volume for the Budget Year 2005-06 is approximately 500 candidates.

Candidates pay \$155 for the TFE exam. If an administrative fee of \$45 per exam registration were collected, the TFE exam program would generate approximately \$22,500 in the Budget Year 2005-06.

PSD Option - 9

<i>Charge A Fee For The California Teaching Performance Assessment (CA TPA)</i>	<i>\$630,000</i>
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Currently, the Commission requires programs that lead to a preliminary teaching credential to assess candidates on specific performance expectations outlined in the Commission's *Standards of Quality and Effectiveness for Teacher Preparation Programs for Preliminary Multiple and Single Subject Teaching Credential*. If a uniform teaching performance assessment such as the *CA TPA* were required of all teacher preparation programs as part of certification, Commission staff would develop an Request for Proposal to secure a contractor to provide centralized scoring and reporting to institutions and candidates. The Commission could collect an exam fee to support the oversight and on-going development of a consistent, reliable and valid assessment process. By requiring a uniform *CA TPA* to measure candidate teaching competency, this option would increase exam costs for each MS and SS credential candidate by an unknown amount. The Commission could choose to include in the fee charged to candidates, an administrative fee to cover the administrative costs of maintaining oversight of the assessment program

The anticipated demand for this assessment would be 14,000 to 16,000 teacher candidates each fiscal year. If an administrative fee of \$45 dollars per assessment were collected, it is estimated that the *CA TPA* program would generate \$630,000 to \$720,000 per fiscal year.

PSD Option - 10

<i>Charge Institutions for Program Review and Accreditation</i>	<i>\$413,000</i>
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The Commission could be authorized to charge institutions for the cost of program review and accreditation reviews. Some of the revenue generated would be offset by increased costs associated with invoicing and collecting payments from institutions. One model that could be used would be to charge institutions an annual fee based on size (as measured by enrollment or credential candidates recommended), plus additional fees for each approved credential program.^{1/} Additional costs would apply to reviewing requests for initial accreditation, or the review of new program proposals.

Fees based on size could generate revenues of approximately \$98,000 annually. Additional revenues for each credential program such as PPS, School Nurse, Education Specialist,

Administrative Services, Library Media and Reading Specialist (approximately 700 preparation programs at \$450 per program) would generate an additional \$315,000 annually. The impact of this policy would be a cost shift to institutions, and would result in increased General Fund costs for state funded institutions. At this time, it is unclear if the institutions would have the fiscal capacity to undertake these costs given current resources. An alternative would be for the General Fund to support accreditation costs more directly through an appropriation to the Commission in the annual Budget Act. Similarly, the Commission could recover the cost of conducting on-going induction program reviews by charging programs for the cost of review. Historically, program review costs have been funded annually through the appropriation of funds for the BTSA program.

Summary

The efficiencies and revenue enhancements discussed above could reduce staffing by approximately 7.6 positions. If all of the efficiency options are implemented, the Commission's budget deficit would be reduced by approximately \$855,000. The enhancement options could increase revenues to both the Teacher Credentials Fund and the Test Development Administration Account by as much as \$1.33 (excluding additional revenue that could be generated through increased exam fees). Taken together, the options presented above could improve the Commission's overall budget by approximately \$1.98 million. The options are summarized in the table below:

Efficiency/Revenue Enhancement Options		Estimated Budget Enhancement
Expenditure Savings (If Staff are not redirected to other priorities)		
PSD Option - 1	<i>Eliminate program review following the adoption of new credential program standards</i>	\$115,000
PSD Option - 2	<i>Shift Federal Title II Reporting to the California Postsecondary Education Commission</i>	\$60,000
PSD Option - 3	<i>Move administration of state-funded teacher development programs to the California Department of Education (CDE)</i>	\$300,000
PSD Option - 4	<i>Discontinue the co-administration of BTSA with the CDE</i>	\$110,000
PSD Option - 5	<i>Discontinue Subject Matter Program Review</i>	\$250,000
PSD Option - 6	<i>Eliminate production of annual report, newsletter</i>	\$20,000
PSD Option - 7	<i>Postpone adoption of a Mild/Moderate Special Education Exam Required by AB 2286 (Mountjoy)</i>	--
	Total Estimated Expenditure Savings	\$855,000
Revenue Enhancements		
PSD Option - 8	<i>Charge fees for the School Leaders Licensure Assessment (SLLA) and the Teaching Foundations Exam (TFE)</i>	\$90,000
PSD Option - 9	<i>Charge a fee for the California Teaching Performance Assessment (CA TPA)</i>	\$630,000
PSD Option - 10	<i>Charge Institutions for Program Review and Accreditation ^{1/}</i>	\$413,000
	Total Estimated Revenue Enhancements	\$1,133,000
	Total Improvement to PSD's Budget	\$1,988,000

^{1/} In May 2004, Governor Schwarzenegger proposed revisions to the 2004-05 Budget that included a proposal to authorize the Commission to collect fees to recover the costs of accreditation reviews. The Legislature did not include this proposal when it passed the 2004 Budget Act.

Professional Practices:

DPP is responsible for both the discipline of credential applicants and holders and the legal activities of the Commission. DPP is responsible for reviewing charges of misconduct against a credential holder or applicant upon initial application for a credential, when a credential is renewed, or when there are allegations against a credential holder relating to criminal activity, unprofessional conduct or problems that would impact the status of a license. The DPP practices legal staff provides legal counsel and advice to the Commission and Program Divisions within the Commission.

The Division staff (28 positions) is organized as follows:

Support Section (18 positions) – is responsible for opening and maintaining files, handling incoming and outgoing mail, requesting police and court records, handles telephone inquiries, responds to document/discovery requests, prepares files and agenda for Committee of Credentials (Committee)/Commission meetings, prepares Notice of Delay list and All Points Bulletin for dissemination to educational employers, sends certified letters regarding Committee/Commission action, and prepares Confidential Investigative Reports.

Investigations/Probation Unit (6 positions) is responsible for investigating serious allegations of misconduct, responding to complaint allegations from members of the public, preparing Confidential Investigative Reports, and advising staff and the Committee on investigation matters.

Legal Support (4 positions) is responsible for providing legal review of all Confidential Investigative Reports and Probation matters, reviewing all cases for jurisdiction, provides legal support to Committee and Commission meeting, provides technical advice and support to Office of Attorney General (Attorney General), negotiates and prepares Commission Settlements, and provides legal support to other Commission Program Divisions.

From Prior Year 2003-04 through the Budget Year 2005-06, the DPP Division's positions have been reduced by 1.0. The 2005-06 Proposed Governor's Budget authorized 29 positions for the DPP.

Category	2003-04 (Past Year)	2004-05 (Current Year)	2005-06 (Budget Year)
Personal Services	\$2,027,526	\$2,063,667	\$2,791,571
Operating Expenses and Equipment	1,290,158	1,933,289	2,100,986
Total Program Cost	\$3,317,684	\$3,996,956	\$4,202,386 ^{1/}

^{1/} It is important to note that as part of the 2005-06 Proposed Governor's Budget the DPP Division had an overall increase in dollars associated with external increases and miscellaneous employee compensation adjustments.

Division Priorities:

The DPP priorities are as follows:

- Monitor the moral fitness of credential holders and applicants.
- Provide legal counsel to the Program Divisions within the Commission.

Staffing Needs, Fixed Expenses and Workload:

Since the advent of class size reduction in 1996, the DPP has faced two challenges: a 200 percent increase in workload and steadily rising costs for mandated administrative review and legal fees charged by the Attorney General. To put this into perspective provided below is a chart that reflects the fees charged by the Attorney General for the last several years for your

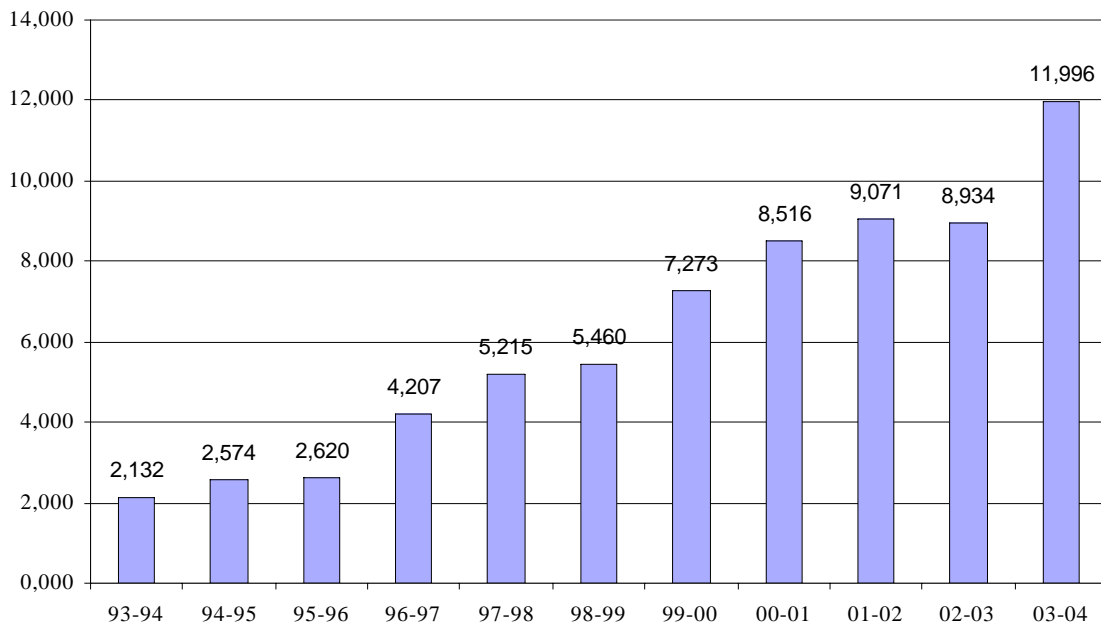
reference.

Category	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2003-04 ^{1/}
Attorney	\$100	\$100	\$106	\$112	\$112	\$112	\$139
Paralegal	53	53	53	53	53	53	91
Auditor/ Analyst	60	60	63	63	63	63	63
TQA	-	-	-	120	120	120	-

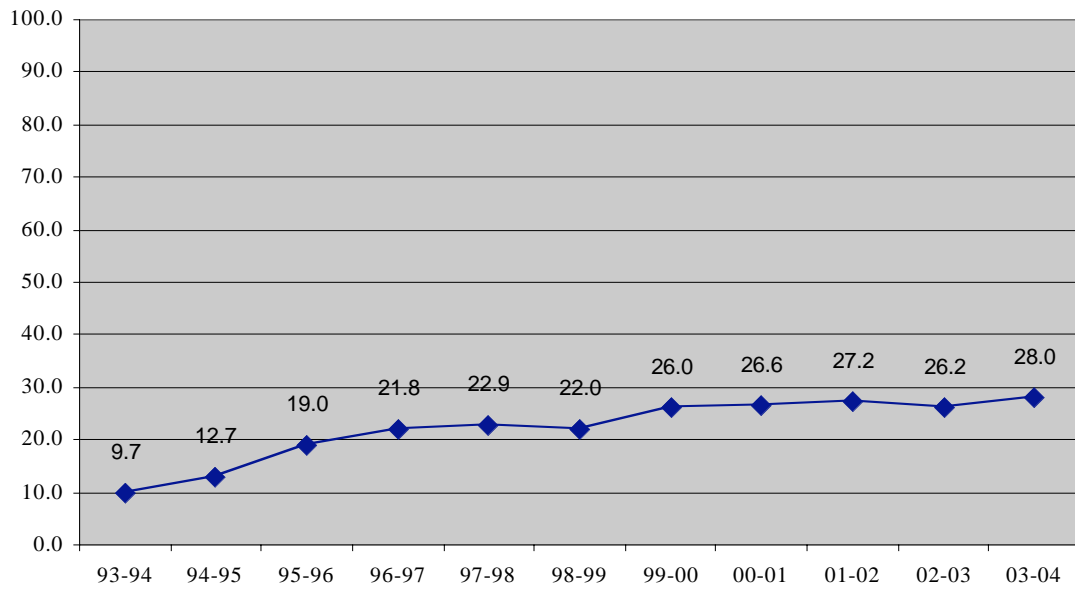
^{1/} Rates effective April 1, 2004

Despite the continual decline in credential applications, workload in the DPP continues to **increase**. In fact, over the past ten (10) years DPP workload has increased 463 percent.

**Division of Professional Practices Workload
1993-94 to 2003-04**



**Division of Professional Practices Staffing
1993-94 to 2003-04**



Options for Consideration:

The options outlined below for your consideration reflect a combination of real dollar savings, as well as, a redirection of staff time. It should be noted that a majority of the changes proposed would require statutory and regulatory change and, in all likelihood, could be opposed by stakeholders and other state agencies.

Efficiencies

DPP Option - 1

<i>Eliminate Full Administrative Hearing Process For Lower Levels Of Discipline (Private Admonitions And Public Reapproval).</i>	<i>\$20,000 to \$100,000 per case</i>
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Current statutes do not require a hearing pursuant to the Administrative Procedure Act for low level adverse action, however Commission practices and regulations have been to provide full due process to all levels of appeal. A separate in-house appeals process in lieu of a formal hearing could provide savings by eliminating appeal costs.

DPP Option - 2

<i>Request Exception To The Requirement That The Office Of Attorney General Represent The Commission At Administrative Hearings.</i>	<i>\$927,000</i>
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As stated above, the costs of representation by the Attorney General have risen dramatically since 1999. Currently, the Commission is required to utilize the Attorney General for all representation and the amount budgeted for this representation is \$1,526,000. The increased caseload and increase in the number of cases appealed has resulted in the same number of cases being referred to the Attorney General despite the fact that fifty (50) percent of the cases are now settled in the early settlement program. A remedy to the fiscal uncertainty of the Attorney General billings would be to have in house counsel represent the Commission at administrative hearings. This could be accomplished at a fixed cost of approximately \$600,000 (increase in 5 positions) a year given current workload. Duplication of effort that results from the transfer of the case to the Attorney General's Office would be eliminated and the Commission would potentially benefit from more effective representation by specialists.

DPP Option - 3

<i>Eliminate All Certified Mailing Requirements</i>	<i>\$11,000</i>
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The Commission recently adopted regulations that eliminated all but the statutorily required certified mailing requirements. The statute could be amended to eliminate all certified mail requirements.

DPP Option - 4

<i>Eliminate Paper Copies of The All Points Bulletins</i>	<i>\$20,000 to \$25,000</i>
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Following each Commission meeting the DPP, as required by statute, the Commission must notify all public and private school employers and other educational employers of adverse action taken against credential holders and documents. To accomplish this requirement the Division prints and mails the All Points Bulletin (APB) to school districts and education employers throughout the state. The Commission currently also transmits the APB electronically on a voluntary basis. If the Commission moved to an “electronic only” notification that would save the Commission on printing and mailing costs. The Commission’s statutory responsibility could be met by the electronic transmission, as well as, development of a secure website for use by the employers. In addition the Commission public website maintains information regarding credential status.

DPP Option - 5

<i>Establish Separate Discipline Fees</i>	<i>Varied</i>
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Currently, the cost of discipline is spread throughout all credential holders. A model used by other licensing agencies is one which charges fees to those persons who are subject to review. In addition, a processing fee is charged when an appeal is filed. The Commission could seek statutory authority to cite and fine lower levels of discipline and to institute a charge over and above the application fee for processing Petitions for Reinstatement.

DPP Option - 6

<i>Streamline Investigative Process For First Time Applicants</i>	<i>Varied</i>
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Existing statutes and regulations provide applicants with a two-tiered review and a right to appear personally before the Committee, the same process is available to credential holders. If first time applicants were limited to one paper review, the result would be a faster processing of applicants and cost savings by eliminating one review and personal appearances. Currently, the Committee reviews approximately 4,400 applications a year at an average cost of \$800 per application. Not all of the upfront costs can be eliminated with this proposal but some savings could be realized. The majority of the savings would be in workload which would allow staff to be redirected to address the backlog.

Revenue Enhancement

DPP Option - 7

<i>Charge For Probation Monitoring</i>	<i>\$30,000</i>
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As a result of the early settlement program, an efficiency instituted in 2003, the DPP currently monitors ninety-seven (97) credential holders on probation. This program has allowed certificated personnel to remain in the classroom while still ensuring the safety of California's public school children and has resulted in a cost and time savings, however it has also resulted

in an increased workload to be absorbed by staff. Credential holders benefit because they are allowed to continue employment while on probation. A review of other licensing agencies in the state indicates that some charge a monthly fee (usually \$25 a month) to recover some of the costs of probation or diversion monitoring. In addition, the criminal courts charge a sliding fee to recover the costs of probation.

Summary

If all of the efficiency options are implemented, the Commission's Budget deficit would be reduced by approximately \$1,063,000 and the enhancement options could increase revenues to the Teacher Credentials Fund by as much as \$30,000. Taken together, the options presented above could improve the Commission's overall budget by approximately \$1.09 million. The options are summarized in the table below:

Efficiency/Revenue Enhancement Options		Estimated Budget Enhancement
Expenditure Savings		
DPP Option - 1	<i>Eliminate Full Administrative Hearing Process For Lower Levels Of Discipline (Private Admonitions And Public Reapproval).</i>	<i>\$20,000 to \$100,000 per case</i>
DPP Option - 2	<i>Request Exception To The Requirement That The Office Of Attorney General Represent The Commission At Administrative Hearings.</i>	<i>\$927,000</i>
DPP Option - 3	<i>Eliminate All Certified Mailing Requirements</i>	<i>\$11,000</i>
DPP Option - 4	<i>Eliminate Paper Copies of The All Points Bulletins</i>	<i>\$20,000 to \$25,000</i>
DPP Option - 5	<i>Establish Separate Discipline Fees</i>	<i>Varied</i>
DPP Option - 6	<i>Streamline Investigative Process For First Time Applicants</i>	<i>Varied</i>
	<i>Total Estimated Expenditure Savings</i>	<i>\$978,000 - \$1,063,000 and Up</i>
Revenue Enhancement		
DPP Option - 7	<i>Charge For Probation Monitoring</i>	<i>\$30,000</i>
	<i>Total Estimated Revenue Enhancements</i>	<i>\$30,000</i>
	<i>Total Improvements to DPP's Budget</i>	<i>\$1,093,000</i>

Administration:

Administration is responsible for providing the necessary support for the program divisions to fulfill their statutorily required missions.

From Prior Year 2003-04 through the Budget Year 2005-06, the Administration Division's positions have been reduced by 3.0. It is important to note that over the last two (2) fiscal years the Administration Division has redirected staff to the Program Divisions to meet workload demands. The 2005-06 Proposed Governor's Budget authorized thirty-five (35) positions for the Administration Division.

Category	2003-04 (Past Year)	2004-05 (Current Year)	2005-06 (Budget Year)
Personal Services	3,098,541	2,849,236	\$2,791,571
Operating Expenses and Equipment	3,878,282	1,930,084	1,963,749
Total Program Cost	\$6,976,823	\$4,779,320	\$4,755,320

Division Priorities:**Executive Office:**

The Commission's Executive Office is responsible for the overall management and oversight of the department. Its primary responsibility is related to the day-to-day operations of both the Office of the Executive Director, central administration of the department, and the operations related to the Commission itself. Currently, the Executive Office is staffed with three (3) positions and two (2) part-time undergraduate student assistants.

Among the primary responsibilities of the Executive Office are the following:

- Coordinating the various Divisions of the Department. The office provides overall direction in carrying out Commission policies, development of Commission procedures, and engages in the general day to day operations of the agency.
- Overseeing Commission staff activities and development and implementation of the Commission Budget.
- Serving as the primary point of contact for Members of the Commission. The Executive Director and the Executive Office staff assist the Chair and Vice Chair of the Commission in the general operations of the Commission.
- Planning, coordination, and implementation of Commission meetings
- Coordinating the agenda production process for Commission meetings.
- Planning, coordination, and oversight of communication with external agencies such as state control agencies, members of the public and legislature, representatives from other state and educational bodies, and various representative constituencies.
- Serving as primary contact for related national educational bodies and memberships such as the National Association for State Directors of Teacher Education and Credentialing.

Office of Governmental Relations:

The primary goals of the OGR are to provide effective and appropriate involvement of the

Commission with policymakers, including the Office of the Secretary for Education, the Legislature, and stakeholder groups, on key teacher preparation issues and to provide information to the media regarding Commission policies and practices. The Office has been allocated four (4) positions.

OGR responsibilities include:

- Inform the Commission of proposed legislation affecting the preparation and certification of professional educators
- Based on the Commission's adopted positions, influence legislation regarding the preparation and certification of professional educators.
- Respond to policymaker's information inquiries.
- Sustain productive relations with key policymaker's and staff.
- Act as the Commission's representative to the media

Information Technology and Support Management Division:

The Information Technology and Support Management (ITSM) Division supports the programs and operations of the Commission by providing leadership, technical expertise, and services in financial management, business and facility operations, contract administration, and information technology. The Division is comprised of the Fiscal and Business Service Section and Enterprise Technology and Support Services Section. The Division has been allocated one (1) position, with the additional staff allocated in each of the supporting Sections.

Fiscal and Business Services Section

The Fiscal and Business Services Section is responsible for the support of all the procurement, contract, travel, accounting, business services', and the budget development and monitoring for the department. The Section currently has been allocated eight (8) positions.

Among the primary responsibilities of the Fiscal and Business Services Section are the following:

- Prepares and administers the annual budget.
- Monitors and prepares reports on revenues, expenditures, and fund balances.
- Administers the purchase of equipment and supplies.
- Drafts and oversees service contracts.
- Reviews and processes all invoices for goods and services for payment.
- Processes travel expense advances and claims, and provides other fiscal-related services.
- Provides a wide range of building-management services.
- Distributes the mail and other shipments.

Enterprise Technology and Support Services (ETSS) Section:

The ETSS is responsible for the support of the Information Technology needs for the Commission, which includes guidance, development, implementation, support and

enhancements for all computer related equipment, software in use or software being considered. The Section is comprised of four (4) units that are responsible for distinctly different tasks. The Section has been allocated fourteen (14) positions.

The four (4) units are as follows:

Project Management Unit (1 position) is responsible for providing project management support for the Enterprise Technology Service section projects. Assist or develop ad-hoc and all yearly reports that go to government agencies and Commission management. Provide administrative technical support to all units as needed. The Project Management Unit currently has one (1) position that is responsible for providing project management support for the Enterprise Technology projects and mandatory reports for government agencies.

Network Enterprise Services Unit (4 positions) is responsible for network and desktop support. The unit provides infrastructure troubleshooting, installation and maintenance from router through to the desktop. The team is responsible for servers that provide the following: web services, file and print, email, application servers, communication services and security. The unit maintains an inventory of all equipment, software and licenses.

Enterprise Application Unit (6 positions) is responsible for developing, designing and maintaining in-house applications, web databases, and the mission critical web based CASE system. The unit provides systems analysis, design, security, and administration to all applications and systems. The unit currently has six (6) staff, which was the appropriate staff for 2004-05, however with the introduction of the new SIEBEL mission critical web based CASE system and new processes such as the on-line application submission, renewal on-line application process, web based teacher information, and DPP Case applications, ETSS will see an increase in workload for Budget Year 2005-06.

Web Support Unit (1 position) is responsible for content development, design and maintenance of Commission's internal and external web sites. Provides hardware and software support of web systems.

The ETSS priorities are as follows:

- Provide a network environment that allows the use of technical equipment
- Support of the mission critical web based CASE system
- Provide Commission web based data to our constituents
- Provide desktop and server support

Office of Human Resources:

The OHR - performs the most sensitive and complex personnel and management program related projects either for the Executive Director or the Commission. Responsible for providing consultation and recommendation to the Commission Executive Director, management and staff on all personnel related issues. This Office has been allocated five (5) positions.

Among the primary responsibilities of the OHR are the following:

- Processes requests for personnel actions, recruitment, reclassification, and transfers.
- Manages the Civil Service Merit System.
- Conducts promotional and open examinations for rank-and-file and non-represented employees.
- Conducts and monitors training.
- Processes payroll and benefits.
- Reviews and processes all workers compensation claims and coordinates return to work issues.
- Maintains the Employee Assistance Program.
- Assists supervisors/management with progressive discipline.
- Monitors and distributes all labor relations issues and information.
- Maintains the organization charts.

Options for Consideration:

The options outlined below for your consideration reflect a combination of real dollar savings and position reductions. It should be noted that one of the changes proposed would require statutory and regulatory change and in all likelihood could be opposed by stakeholders and other state agencies. In two of the efficiency options outlined below, the savings identified is associated with the elimination of positions. However, given the staffing needs outlined above in the Program Divisions, the Commission could choose to redirect the positions to assist the Program Divisions meet the core mission of the Department. It is important to keep in mind that this would reduce the amount of projected savings needed to meet the projected shortfall.

Efficiencies

Admin Option – 1

<i>Reduction In Number Of Commission Meetings Per Year</i>	<i>\$8,000 - \$16,000</i>
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Education Section 44219 requires that the Commission meet at least once each month in no fewer than ten months each year. Currently, the Commission satisfies this statutory requirement by meeting in 4 one day meetings and 3 two day meetings. The Commission could seek a statutory change to eliminate this requirement for meeting ten (10) months out of the year and then reduce the number of its meetings to four (4) or five (5) two-day meetings or six (6) one-day meetings.

Change the Number of Meetings To:

- Four (4) two-day meetings = Reduction in cost of \$18,000, or
- Five (5) two-day meetings = Reduction in cost of \$8,000, or
- Six (6) one-day meetings = Reduction in cost of \$16,000

The reduction to four (4) or five (5) meetings raises the possibility that staff would not be provided with the frequency of direction needed at various times in the year from the Commission to effectively meet its obligations or deadlines. The six (6) one-day meetings

proposed alleviates that concern to some degree.

Admin Option - 2

<i>Eliminate Reimbursement To Ex-Officio Members</i>	<i>\$14,000</i>
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Currently, the Commission covers the travel and reimbursement costs for all members of the Commission. The Education Code does not require that the Commission reimburse the costs for the ex-officio members. The Commission could require that the four ex-officio members seek reimbursement from their representative agency or educational system rather than from the Commission for their attendance and participation at Commission meetings. This proposal would save the department approximately \$1,476 for each one-day meeting and \$2,096 for each two-day meeting. At this time, it is unclear if the representing agency or educational system would have the capacity to absorb this cost.

Admin Option - 3

<i>Consolidate Two Career Executive Assignment Positions</i>	<i>\$113,000</i>
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Currently, there is a Division Director position over the Office of Governmental Relations and the Information Technology and Support Management Division. Recently, both positions were vacated by the incumbent, and, as a result, in order to better meet the needs of the Department it was determined that the two functions should be combined. The savings associated with the consolidation would result in a reduction of one (1) position (\$113,000). Unless the Commission chooses to redirect this position to other core mission functions.

Admin Option - 4

<i>Authority Reduction for the Facility Lease Payment Reduction</i>	<i>\$180,000</i>
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The Commission moved to the current location in 1999. During lease negotiations the Commission wrote into the agreement the amortization of certain alterations and improvements. As of mid – Current Year 2004-05, payment for the alterations and improvements is complete. The reduction in authority will align the appropriation in the Administration Divisions Budget with the actual expenditure.

Admin Option – 5

<i>No Longer Offer Technical Project Management Support And Mandatory Documentation For Government Agencies</i>	<i>\$95,000</i>
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The ETSS has one (1) full-time position devoted to completing ad-hoc reports and all yearly reports that are mandatory for government agencies and Commission management. This position is responsible for providing project management support for the Enterprise Technology projects. Provided administrative technical support to all units as needed. If this service were no longer completed by this individual the workload would be distributed to other staff. The Commission could choose to redirect this position to other core mission functions.

Summary

If all of the efficiency options are implemented for the Administration Division, the Commission's Budget deficit would be reduced by approximately \$418,000 and two (2) positions. The options are summarized in the table below:

Efficiency Enhancement Options		Budget Enhancement
Expenditure Savings		
Admin Option - 1	<i>Reduction In Number Of Commission Meetings Per Year</i>	\$8,000 - \$16,000
Admin Option - 2	<i>Eliminate Reimbursement To Ex-Officio Members</i>	\$14,000
Admin Option - 3	<i>Consolidate Two Career Executive Assignment Positions</i>	\$113,000
Admin Option - 4	<i>Authority Reduction for the Facility Lease Payment Reduction</i>	\$180,000
Admin Option - 5	<i>No Longer Offer Technical Project Management Support And Mandatory Documentation For Government Agencies</i>	\$95,000
	Total Expenditure Savings	\$410,000 - \$418,000

Summary

As directed by the Department of Finance, action must be taken at this meeting on the priorities for 2005-06, if the Commission would like to have input on the issue. Given the current shortfall with both funds, the Department of Finance has requested that a plan be submitted that would establish those priorities. Then, they will make a determination on how to deal with the shortfall in both funds. Staff has brought forward several options for your consideration. Based on the all options identified above, the department could save approximately \$2,400,000 in expenditures and increase revenues for both funds by \$1,163,000 (\$443,000 Teacher Credentials Fund and \$720,000 Test Development Administration Account). At the meeting staff will be available to answer any questions or concerns you may have regarding the information in this item.

Provided on the next four (4) pages is a working document that summarizes all the options for easy reference. This working document can be used while you are reading through item.

FPPC 4A Working Document

<u>OPTION NUMBER</u>	<u>OPTION TITLE</u>	<u>COSTS</u>	<u>STATUTE CHANGE</u>	<u>COST SHIFT TO OTHER DEPT</u>	<u>COMMISSIO N APPROVAL</u>	<u>COMMENTS</u>
CAW OPTION - 1	Eliminate Toll-Free Telephone Line	\$36,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
CAW Option - 2	Eliminate Printing Of The Application For Character And Identification Clearance (41-CIC), Include Questions On Credential Application	\$11,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
CAW Option - 3	Eliminate The Printing Of The Professional Growth Manuals	\$9,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
CAW Option - 4	Eliminate The Printing Certificates Of Clearance	\$8,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
CAW Option - 5	Eliminate Front Office Public Counter Services	Re-Direct 720 Hours	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
CAW Option - 6	Eliminate Data Research	Re-Direct 1000 Hours Of Staff Time	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
CAW Option - 7	Eliminate The Liaison Service To County Offices Of Education And Institutions Of Higher Education	Re-Direct 2600 Hours Of Staff Time	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
PSD Option - 1	Eliminate Program Review Following The Adoption Of New Credential Program Standards	\$115,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
PSD Option - 2	Shift Federal Title II Reporting To The California Postsecondary Education Commission	\$60,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	

<u>OPTION NUMBER</u>	<u>OPTION TITLE</u>	<u>COSTS</u>	<u>STATUTE CHANGE</u>	<u>COST SHIFT TO OTHER DEPT</u>	<u>COMMISSIO N APPROVAL</u>	<u>COMMENTS</u>
PSD Option - 3	Move Administration Of State-Funded Teacher Development Programs To The CDE	\$300,000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
PSD Option - 4	Discontinue The Co-Administration Of Beginning Teacher Support Assessment (BTSA) With The CDE	\$110,000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
PSD Option - 5	Discontinue Subject Matter Program Review	\$250,000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
PSD Option - 6	Eliminate Production Of Annual Report, Newsletter	\$20,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
PSD Option - 7	Postpone Adoption Of A Mild/Moderate Special Education Exam Required By AB 2286 (Mountjoy, Chapter 658, Statutes of 2004)	--	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
PSD Option - 8 (Revenue Enhancement)	Charge Fees For The School Leaders Licensure Assessment (SLLA) And The Teaching Foundations Exam (TFE)	\$90,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
PSD Option - 9 (Revenue Enhancement)	Charge A Fee For The California Teaching Performance Assessment (CA TPA)	\$630,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
PSD Option - 10 (Revenue Enhancement)	Charge Institutions For Program Review And Accreditation	\$413,000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	

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DPP Option - 1	Eliminate Full Administrative Hearing Process For Lower Levels Of Discipline (Private Admonitions And Public Reproval)	\$20,000 - \$100,000 per case	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
DPP Option - 2	Request Exception To The Requirement That The Office Of Attorney General Represent The Commission At Administrative Hearings	\$927,000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
DPP Option - 3	Eliminate All Certified Mailing Requirements	\$11,000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
DPP Option - 4	Eliminate Paper Copies of the All Points Bulletin	\$20,000 - \$25,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
DPP Option - 5	Establish Separate Discipline Fees	\$Varied	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
DPP Option - 6	Streamline Investigative Process For First Time Applicants	\$Varied	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
DPP Option - 7 (Revenue Enhancement)	Charge For Probation Monitoring	\$30,000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
ADMIN Option - 1	Reduction In Number Of Commission Meetings Per Year	\$8,000 - \$16,000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
ADMIN Option - 2	Eliminate Reimbursement To Ex-Officio Members	\$14,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
ADMIN Option - 3	Consolidate Two Career Executive Assignment Positions	\$113,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	

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ADMIN Option - 4	Authority Reduction for the Facility Lease Payment Reduction	\$180,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
ADMIN Option - 5	No Longer Offer Technical Project Management Support And Mandatory Documentation For Government Agencies	\$95,000	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input type="checkbox"/> N	
	Total Estimated Expenditure Savings	\$2,400,000				
	Total Estimated Revenue Enhancement	\$1,163,000				